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FISCAL IMPACT STATEMENT

LS 6927

BILL NUMBER: SB 307

NOTE PREPARED: Feb 4, 2004

BILL AMENDED: Jan 29, 2004

SUBJECT: Professional Licensing Agency.

FIRST AUTHOR: Sen. Meeks R

FIRST SPONSOR:

BILL STATUS: As Passed Senate

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) The bill establishes a process for renewing a license or certificate. It provides that a board may request the office of the Attorney General to: (1) investigate a prohibited act committed by an applicant; (2) obtain an injunction against a person from acting without a license, registration, or certification. The bill provides that the Professional Licensing Agency may stagger license or certificate renewal cycles.

It provides that certain boards and commissions must establish licensing, renewal, examination, application, reinstatement, and restoration fees for licenses and certificates. It also allows an applicant for registration as a professional engineer who has failed three or more exams to obtain approval from the board to take subsequent exams. The bill allows the board to issue a registration as a professional engineer to a person who: (1) completes an engineering curriculum and at least three years of work experience; and (2) has been registered or licensed as a professional engineer in another state for at least ten years.

Effective Date: July 1, 2004.

Explanation of State Expenditures: *Administrative Law Judges* - The Professional Licensing Agency (PLA) currently provides for administrative law judges (ALJ) to render final orders in PLA boards' hearings that include proceedings in relation to disciplinary sanctions. This bill would add the cost of providing an ALJ to the list of costs that are covered by the person subject to the disciplinary sanctions. This provision should result in a savings of expenditures related to providing ALJs.

Background Information: The Health Professions Bureau (HPB) is similar to PLA in that it provides for the licensing of health professions. As of July 1, 2003, the cost of providing ALJs was shifted from HPB to the persons subject to disciplinary sanctions. Although HPB regulates nearly half as many licenses as PLA,

HPB's expenditures on ALJs in the past may be indicative of the impact this provision could have on PLA.

In FY 2002, HPB spent approximately \$12,000 to provide ALJs. As of late CY 2003, HPB had spent \$9,500 and estimated it would spend between \$18,000 and \$20,000 on ALJs by the end of FY 2003. This provision was expected to reduce expenditures for HPB by up to \$20,000, based on the estimated cost of providing ALJs in FY 2003.

Explanation of State Revenues: *(Revised) Licensure Fees* - Currently, many of the professions that require licensure by boards or commissions under the Professional Licensing Agency have licensure fees set by statute. This bill deletes these fees from statute and requires the boards and commissions to establish fees related to the licensure of those professions.

The boards and commissions affected by the bill include the:

- Board of Registered Architects and Landscape Architects.
- Auctioneer Commission.
- State Board of Barber Examiners.
- State Board of Cosmetology Examiners.
- Boxing Commission.
- Board of Funeral and Cemetery Service.
- Board of Registration for Landscape Surveyors.
- Plumbing Commission.
- Private Detectives Licensing Board.
- Board of Registration for Professional Engineers.
- Real Estate Commission.

Current law provides that all fees must be set so as to cover all costs of professional licensing. Assuming current licensure fees are set to cover the costs of providing professional licenses, this provision should not decrease the amount of revenue generated by fees when set by the boards or commissions. However, this provision could potentially increase the amount of revenue collected if fees are set at a higher rate by a board or commission as compared to those currently set by statute. The total amount of fee revenue will be dependent on the actions of the boards and commissions.

Court Fee Revenue: The bill requires the Attorney General to apply for an injunction upon the request of a licensing or certification board under certain circumstances. If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *(Revised) Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected: Professional Licensing Agency.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: IC 25-1-8-2(c); Health Professions Bureau; *FY 2003 Indiana Handbook of Taxes, Revenues and Appropriations*.

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